

UNITED STATES DISTRICT COURT
DISTRICT OF NEW HAMPSHIRE

UNITED STATES OF AMERICA

v.

1:13-cr- 28 -01- SM

KURT SANBORN

INDICTMENT

THE GRAND JURY charges that all times relevant to this indictment:

INTRODUCTION

1. First Banks, Inc. was a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation. First Banc Home Mortgage, Inc. (“FMB”) was a wholly owned subsidiary of First Banks, Inc.

2. In and around May 2003, the defendant, KURT SANBORN and his then wife received a loan in the amount of \$500,000 from two individuals (“the private lenders”). The loan was secured by a first mortgage on property SANBORN and his then wife owned in Manchester, New Hampshire (“the Manchester property”).

3. On or about May 20, 2003, the private lenders’ first mortgage on the Manchester property (“the existing lien”) was recorded at the Hillsborough County Registry of Deeds.

4. On or about September 30, 2003, SANBORN and his then wife signed an agreement to purchase a second home in Gilford, New Hampshire (“the Gilford property”), for approximately \$685,000.

5. To finance the purchase of the Gilford property and without disclosing the existing lien on the Manchester property, in and around October 2003, SANBORN caused separate applications to be submitted to FBM for a \$500,000 loan secured by a first mortgage on

the Gilford property and a \$185,000 home equity loan secured by a first mortgage on the Manchester property. Neither application disclosed the existing lien or the \$500,000 debt SANBORN and his then wife owed to the private lenders.

6. On or about November 3, 2003, after the existing lien on the Manchester property was disclosed to FMB, SANBORN attempted to cause FMB to approve his applications for the \$500,000 and \$185,000 loans by knowingly causing a letter (“the forged letter”) that contained one of the private lender’s forged signatures to be sent by facsimile from a location in Rhode Island to a location in New Hampshire. The forged letter falsely and fraudulently stated that the private lender was prepared to subordinate his security interest in the Manchester property to a security interest that FMB would require as a condition of providing an equity loan to SANBORN.

7. On or about November 24, 2003, SANBORN falsely and fraudulently induced FMB to approve the \$500,000 and \$185,000 loans by causing a Discharge of Mortgage bearing the private lenders’ forged signatures to be recorded at the Hillsborough County Registry of Deeds. SANBORN also caused a copy of the fraudulent Discharge of Mortgaged to be submitted to FMB.

8. In and around December 2003, SANBORN acquired bogus evidence that the private lenders no longer possessed a first mortgage security interest in the Manchester property by causing the Hillsborough County Registry of Deeds to mail a copy of the recorded fraudulent Mortgage Discharge to his home in Manchester.

COUNT ONE
Wire Fraud – 18 U.S.C. § 1343

9. The allegations of paragraphs 1 through 8 of this indictment are re-alleged and incorporated as if set forth in full herein.

10. From in and around October 2003 to in and around October 2004, in the District of New Hampshire and elsewhere, the defendant,

KURT SANBORN,

through conduct that affected First Banks, Inc., knowingly devised a scheme and artifice to defraud the private lenders and FMB and to obtain money and property from the private lenders and FMB by means of false and fraudulent pretenses, representations and promises, and for the purpose of executing the scheme, and attempting to do so, SANBORN knowingly caused a writing to be transmitted by means of wire communication in interstate commerce, in that: Sanborn caused a copy of the forged letter to be sent by facsimile from a location in Rhode Island to a location in New Hampshire.

All in violation of Title 18, United States Code, Section 1343.

COUNT TWO
Mail Fraud – 18 U.S.C. § 1341

11. The allegations of paragraphs 1 through 8 of this indictment are re-alleged and incorporated as if set forth in full herein.

12. From in and around October 2003 to in and around October 2004, in the District of New Hampshire and elsewhere, the defendant,

KURT SANBORN,

through conduct that affected First Banks, Inc., knowingly and intentionally devised a scheme and artifice to defraud the private lenders and FMB and to obtain money and property from the private lenders and FMB through the use of false and fraudulent pretenses, representations and promises, and for the purpose of executing the scheme and attempting to do so, did cause mail matter to be sent and delivered according the directions thereon by the Postal Service, in that: Sanborn caused the Hillsborough County Registry of Deeds to mail a copy of the recorded fraudulent Mortgage Discharge to his residence in Manchester, New Hampshire.

All in violation of Title 18, United States Code, Section 1341.

COUNT THREE
Bank Fraud – 18 U.S.C. § 1344

13. The allegations of paragraphs 1 through 8 of this indictment are re-alleged and incorporated as if set forth in full herein.

14. Community Bank and Trust Company (“CBTC”), was a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation.

15. From in and around February 2004, to in and around March 2004, in the District of New Hampshire and elsewhere, the defendant,

KURT SANBORN,

knowingly executed a scheme and artifice to defraud CBTC, and to obtain money owned by and under the custody and control of CBTC by means of false and fraudulent pretenses, representations and promises, in that, SANBORN acquired a \$150,000 commercial loan from CBTC that was secured by a second mortgage on the Manchester property by falsely and fraudulently concealing from CBTC the private lenders’ first mortgage security interest in the Manchester property.

All in violation of Title 18, United States Code, Section 1344.

DATED: April 10, 2013

/s/ Foreperson

Foreperson of the Grand Jury

JOHN P. KACAVAS
United States Attorney

By: /s/ Robert M. Kinsella
Robert M. Kinsella
Assistant United States Attorney